



ASX Announcement

26 April 2023

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Directors

Kit Weng Yip, Chairman

Mathew Walker, Corporate Director

Kulthirath Pakawachkriels, Director

Steve Samuel, Company Secretary

Issued Capital

ASX Code: FGL

764,849,607 Ordinary Shares

29,500,000 Listed options exercisable at \$0.10 on or before 20 July 2024

250,000,000 Unlisted options exercisable at \$0.01 on or before 31 December 2025

Overview

Frugl is a retail intelligence ecosystem that acquires publicly available grocery data, enriches it, and utilises it to power two independent retail platforms; Frugl Grocery and InFocus Analytics.

With management drawn from major Australian and International retail organisations, Frugl combines retail experience, expertise in data analytics, and enterprise-scale data sets ready for immediate commercialisation.

FRUGL GROUP Q3 COMPANY UPDATE

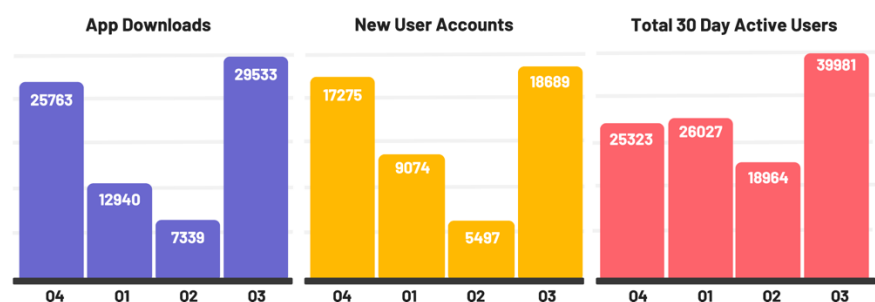
HIGHLIGHTS

- FRUGL GROCERY APP EXPERIENCES RECORD USER NUMBER GROWTH THROUGHOUT THE MAR QUARTER ACROSS ALL METRICS**
- DEVELOPMENT OF FRUGL GROCERY APP AND MARKET CONTINUES IN SUPPORT OF BUSINESS DEVELOPMENT AND COMMERCIALISATION ACTIVITIES**
- DURING THE QUARTER THE COMPANY SUCCESSFULLY COMPLETED A PLACEMENT OF \$1,725,000 BEFORE COSTS**

Frugl Group Limited (ASX: FGL) ("Frugl" or the "Company") is pleased to provide the market and shareholders an update on Company operations and the ongoing development of the Frugl Grocery App and Market.

Record Frugl Grocery User Numbers

Continued media attention off the back of continued high inflation and cost of living pressures has supported record growth of the Frugl Grocery app, with all metrics showing stronger than expected growth. Additional activity post-quarter indicates these metrics will continue to be strong heading into the final quarter.



Frugl Grocery & Frugl Market Development

Development continued on Version 3.0 of the **Frugl Grocery** App and the **Frugl Market** platform, with performance improvements and background data handling being the core areas of development focus. In addition, the Company has been exploring opportunities in South East Asia for commercial utilisation of its core technologies and capabilities.

Subsequent to the quarter, the Company entered into a Memorandum of Understanding (**MOU**) with Trienpont International Co LTD ("**Trienpont**") to further explore opportunities together across Australia and South East Asia, with a view to executing a full Partnership Agreement in the near future.

The Company and Trienpont will work together in good faith to identify potential projects and clients in the APAC and EMEA markets that may benefit from their combined expertise in Data Analysis, Digital Transformation, Software Development, Cloud Migrations, and Technical Consulting.

Corporate

During the quarter, the Company successfully completed a placement of \$1,725,000 (**Placement**) before costs. The Company issued a total of 431,250,000 fully paid ordinary shares (**Shares**) at \$0.004 per share, with 1-for-2 free attaching unlisted options exercisable at \$0.01 on or before 31 December 2025 (**Options**). Proceeds from the Placement will primarily support the marketing of Frugl Grocery App, commercialisation of the Frugl Market Analytics Retail Platform, expansion of the Frugl Market platform into Southeast Asia, repayment of borrowings and general working capital.

On 10 February 2023, the Group appointed Mr Kit Weng Yip as a Non-Executive Chairman of the Company. Mr Yip was appointed to replace Mr Jon Wild who chose to leave the Board to pursue other commercial interests.

On 23 March 2023, the Group appointed Ms Kulthirath Pakawachkrilers as a Non-Executive Director of the Company. Ms Pakawachkrilers was appointed to replace Mr Sean Smith who will remain as the CEO of the Company

During the quarter, following the completion of the major development work for the Frugl Grocery Mobile App and a subsequent review of development methodology, the Company determined future maintenance and development is to be outsourced to more cost-effective offshore contractors. The operation of the Company business and service of existing clients remains unaffected by these changes.

Appendix 4C

Outflows of \$100k from corporate and administrative activities during the March quarter (refer Items 1.2(f) of the Appendix 4C) predominantly comprised of corporate advisory, legal, tax consultant, audit, insurances and working capital. Pursuant to section 1.2(a), the operational expenditure of \$304k incurred by the Company relates to the ongoing cost of maintaining the Company's grocery comparison App, staff costs and the cost of delivering services to customers. The Company notes that the amount of \$49k disclosed in the Appendix 4C under Section 6 includes payments to related parties and their associates and salaries and wages to members of the Board of Directors.

The Company engaged Cicero Group Pty Ltd for accounting, administrative and company secretarial services at \$6,000 per month (exclusive of GST). Mr Mathew Walker is a shareholder in Cicero Group Pty Ltd.

This announcement has been authorised by the Board of Frugl Group Limited.

For, and on behalf of, the Board of the Company

Kit Weng Yip

Chairman

Frugl Group Limited

- ENDS -

Forward looking statements

This announcement contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the directors and our management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this announcement, except where required by law. These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Frugl Group Limited

ABN

80 096 870 978

Quarter ended ("current quarter")

31 March 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	41	146
1.2 Payments for		
(a) research and development	(304)	(1,073)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	(114)
(d) leased assets	-	-
(e) staff costs	-	-
(f) administration and corporate costs	(100)	(319)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	(6)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	609
1.8 Other (provide details if material)	(88)	(210)
1.9 Net cash from / (used in) operating activities	(450)	(966)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,725	2,388
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(17)	(58)
3.5	Proceeds from borrowings	100	616
3.6	Repayment of borrowings	(577)	(1,182)
3.7	Transaction costs related to loans and borrowings	-	(29)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	(50)
3.10	Net cash from / (used in) financing activities	1,231	1,685

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	15	77
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(450)	(966)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,231	1,685
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	796	796

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	787	-
5.2	Call deposits	60	60
5.3	Bank overdrafts	-	-
5.4	Other (Credit Card)	(51)	(45)
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	796	15

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	49
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(450)
8.2	Cash and cash equivalents at quarter end (item 4.6)	796
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	796
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.77
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	<p>Answer:</p> <p>No, as a result of the following:</p> <ul style="list-style-type: none"> During the quarter, following the completion of the major development work for the Frugl Grocery Mobile App, the Company has determined future maintenance and development is to be outsourced to more cost effective offshore contractors. 	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	<p>Answer:</p> <p>Yes.</p> <p>During the quarter, the Company has completed a placement of \$1,725,000 (Placement) before costs.</p> <p>Any further capital raising initiatives will be progressed as and when required.</p>	

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Yes, as per the response in question 2, the Company will initiate appropriate measures to secure funding by way of capital raising as and when required.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:26 April 2023.....

Authorised by: By the Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.